

**DEPARTMENT OF STATE REVENUE  
LETTER OF FINDINGS NUMBER: 02-0553P  
Gross Income Tax  
For Calendar Year Ended December 31, 2000**

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**ISSUE(S)**

**I. Tax Administration – Penalty**

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**II. Tax Administration – Interest**

**Authority:** IC 6-8.1-10-1

Taxpayer protests the interest assessed.

**STATEMENT OF FACTS**

Taxpayer protests the proposed penalty assessment for the late payment and the underpayment of its income tax. Taxpayer filed its return late with payment of seventy-five percent (75%) of its tax liability. The Department issued its late payment assessment and underpayment assessments. Taxpayer paid the estimated underpayment penalty.

Taxpayer filed a penalty protest letter dated October 31, 2002 with a partial payment of \$6,684 referring to a letter dated August 27, 2002 that it sent earlier. The letter states that its accounting firm prepares its tax returns and made the error in the preparation of the return.

**I. Tax Administration – Penalty**

**DISCUSSION**

Taxpayer protests the penalty assessed and states that its accounting firm made the error.

Taxpayer did not make payment by the original due date of the return as required under IC 6-8.1-10-2.1 (a)(2). The penalty is ten percent (10%) of the amount of the tax not paid, if the person

fails to pay the full amount of tax shown on the person's return on or before the due date for the return or payment.

Taxpayer made approximately seventy-eight percent (75%) of its tax payment after the due date of the return and has not provided reasonable cause to allow the Department to waive the penalty.

The taxpayer has the same responsibility as its accounting firm.

**FINDING**

Taxpayer's protest is denied.

**II. Tax Administration – Interest**

**DISCUSSION**

The taxpayer protests the interest assessed.

The Department has no authority to waive interest.

**FINDING**

Taxpayer's protest is denied.